

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2761 - SB 2873

February 26, 2010

SUMMARY OF BILL: Authorizes Tennessee to join an interstate compact for the enrollment and transfer of children in military families into public schools in member states. Sets forth eligibility requirements for students, duties of member states, and prohibits local education agencies (LEAs) from charging out-of-district tuition fees to a transitioning student who is in the custody of a non-custodial parent or guardian whose address is different from the custodial parent. Creates a State Council to oversee this program in Tennessee and defines the council's duties therein. Gives Tennessee one voting representative on the Interstate Commission. Sets forth provisions to resolve disputes between member states, and to suspend or terminate state membership in the Compact if a state is found to be in default of the Compact's rules and regulations, and for reinstatement. Compact does not become binding until 10 or more states have passed such legislation.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$2,500/Each One-Day Meeting
\$13,000/Recurring**

**Decrease Local Revenue – Not Significant
Increase Local Expenditures – Not Significant**

Assumptions:

- According to the national Interstate Commission on Educational Opportunity for Military Children, the Commission's budget is based upon a \$1.00 fee per active duty child paid by each member state. According to the U.S. Department of Defense, Tennessee has approximately 3,000 active duty children. Total increase in state expenditures for 3,000 children is \$3,000. This total could increase or decrease annually depending upon the number of children of active duty personnel.
- Tennessee will form a State Council to oversee this program. It is unknown how many times Tennessee's State Council governing the compact will meet. The Department of Education estimates that each meeting will cost approximately \$2,500 for per diem, travel, and other meeting costs.
- The representative to the national Commission will incur travel expenses if in-person national Commission meetings are held. Meetings are required once per year and may

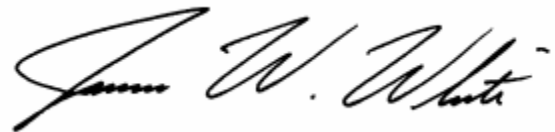
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be held electronically or by telephone. The Department of Education (DOE) estimates these travel costs are estimated to be approximately \$5,000.

- DOE estimates that the appointed military family liaison will incur travel costs of \$5,000 per year. Liaison will help facilitate and assist families in implementing the compact.
- The increase in state expenditures for Compact fees and military liaison and national Commission travel is estimated to be approximately \$13,000 (\$3,000 + \$5,000 + \$5,000).
- Any decrease in local revenue as a result of military families not paying out-of-jurisdiction tuition fees is estimated to be not significant.
- Any increase in local expenditures is estimated to be not significant.
- No impact on the BEP formula.
- Currently 25 states have joined the Compact, resulting in this bill becoming effective upon passage.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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